

ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS APPROVING THE CITY'S PRELIMINARY OFFICIAL STATEMENT PERTAINING TO THE SALE OF OBLIGATIONS DESIGNATED AS "CITY OF SAN ANTONIO, TEXAS GENERAL OBLIGATION FORWARD REFUNDING BONDS, SERIES 2006"; APPOINTING THE MEMBERS OF THE UNDERWRITING SYNDICATE; COMPLYING WITH THE REQUIREMENTS CONTAINED IN MUNICIPAL SECURITIES RULE MAKING BOARD RULE 15c2-12; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council (the *Council*) of the City of San Antonio, Texas (the *City*) hereby finds and determines that the current tax-exempt bond market is favorable to negotiate the sale of its contemplated general improvement forward refunding bonds; and

WHEREAS, the City has previously retained Coastal Securities and Estrada Hinojosa & Company, Inc. as its co-financial advisors relating to the proposed issuance of any obligations; and

WHEREAS, in order to maximize the City's flexibility concerning the timing of entering this tax-exempt market, the City hereby finds and determines that the appointment of the First Southwest Company, as the senior managing underwriter and any co-managers (the *Underwriters*), as designated in the official minutes of the Council for the proposed issuance of the general improvement forward refunding bonds is in the best interest of the citizens of the City; and

WHEREAS, the City is contemplating the issuance of general improvement forward refunding bonds in the approximate amount of \$32,955,000 (the *Bonds*); and

WHEREAS, the Council hereby approves the Preliminary Official Statement in the form attached hereto as Exhibit A pertaining to the proposed issuance of the Bonds; and

WHEREAS, prior to the offering, sale, and issuance of the Bonds the appropriate officials of the City must review and approve the distribution of a "deemed final" Preliminary Official Statement in order to comply with the requirements contained in 17 C.F.R. §240.15c2-12 (the *Securities and Exchange Rule*); and

WHEREAS, based upon their review of the official statement and the updated final official statement, the appropriate officials of the City must find to the best of their knowledge and belief, after reasonable investigation, that the representations of facts pertaining to the City contained in the official statement and the updated final official statement are true and correct and that, except as disclosed in the official statement and the updated final official statement, there are no facts pertaining to the City that would adversely affect the issuance of the Bonds or the City's ability to pay the debt service requirements on the Bonds when due; and

WHEREAS, the City will comply with the requirements contained in the Securities and Exchange Rule concerning the creation of a contractual obligation between the City and the Underwriters to provide the Underwriters with an official statement and the updated final official statement in a time and manner that will enable the Underwriters to comply with the distribution

requirements and the continuing disclosure requirements contained in the Securities and Exchange Rule; and

WHEREAS, the Council authorizes the Mayor, Mayor Pro Tem, City Manager, City Clerk, Director of Finance, and the City Attorney, as appropriate, or their designees, to review, approve, and execute any document or certificate in order to allow the City to comply with the requirements contained in the Securities and Exchange Rule; and

WHEREAS, the Council hereby finds and determines that these actions are in the best interest of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO THAT:

SECTION 1: The Preliminary Official Statement relating to the Bonds, including the City's audited financial statements for the period ending September 30, 2003, prepared in connection with the issuance and sale of the Bonds is hereby approved, such document to read substantially as attached hereto as Exhibit A and incorporated herein by reference and made a part of this Ordinance for all purposes, and the Mayor and the City Clerk are hereby authorized to execute and cause distribution to be made of such document for and on behalf of the City.

SECTION 2: The Underwriters are selected to serve as the underwriting syndicate for the proposed issuance of the Bonds by the City.

SECTION 3: The Council hereby approves the Preliminary Official Statement pertaining to the sale of the Bonds.

SECTION 4: Coastal Securities, Estrada Hinojosa & Company, Inc., and the Underwriters will also coordinate the sale of the Bonds with the national rating services and bond insurance companies and to otherwise coordinate the financial aspects relating to this transaction to ensure that the City receives the lowest possible interest rate on the Bonds and to comply with all regulations and rules promulgated by the Municipal Securities Rule Making Board.

SECTION 5: The Mayor, City Clerk, City Attorney, and City Manager, as appropriate, are authorized to review and approve the official statement and the updated final official statement pertaining to the offering, sale, and issuance of the Bonds and to execute any document or certificate in order to comply with the requirements contained in the Securities and Exchange Rule.

SECTION 6: The City Clerk is directed to maintain a copy of this Ordinance in the City's official records in a manner that will allow any member of the general public to review this Ordinance during the normal business hours of the City during the period beginning thirty (30) days after the adoption hereof and ending on the date of issuance of the Bonds.

SECTION 7: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 8: All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provisions of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 9: This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10: If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 11: It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 12: This Ordinance shall be in force and shall take effect on the tenth day after the date of its adoption by the City Council, and it is so ordained.

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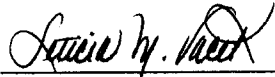
PASSED, ADOPTED AND APPROVED on this the 18th day of November, 2004.

CITY OF SAN ANTONIO



Mayor

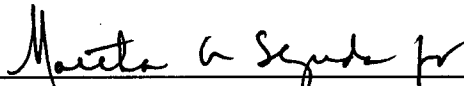
ATTEST:



City Clerk

(CITY SEAL)

I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.



Andrew Martin, City Attorney
City of San Antonio, Texas

Agenda Voting Results

Name: 46A.

Date: 11/19/04

Time: 12:16:26 AM

Vote Type: Multiple selection

Description: An Ordinance approving the City's Preliminary Official Statement pertaining to the sale of obligations designated as "City of San Antonio, Texas General Improvement Forward Refunding Bonds, Series 2006"; complying with the requirements contained in municipal securities rule making board rule 15c2-12; authorizing the City's staff, Co-Financial Advisors and Co-Bond Counsel to take all actions deemed necessary in connection with the sale of such bonds; and providing an effective date.

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
JOEL WILLIAMS	DISTRICT 2	Not present			
RON H. SEGOVIA	DISTRICT 3	Not present			
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8	Not present			
CARROLL SCHUBERT	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		